

**FOR THE CHILDREN, INC.**

**Independent Auditor's Report  
&  
Financial Statements**

**December 31, 2017 and 2016**

**DANIEL J. ALLEGRETTI, CPA, P.A.**

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**Certified Public Accountant**

**FOR THE CHILDREN, INC.**

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DANIEL J. ALLEGRETTI, CPA, P.A.

Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
For The Children, Inc.

I have audited the accompanying financial statements of For The Children, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of For The Children, Inc., as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Supplementary Information*

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 11 and 12 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 23, 2018, on my consideration of For The Children, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering For The Children, Inc.'s internal control over financial reporting and compliance.

DANIEL I. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL  
April 23, 2018

**FOR THE CHILDREN, INC.**  
**Statements of Financial Position**  
**December 31, 2017 and 2016**

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,089,438	\$ 1,186,282
Short-term investments - other	101,722	101,484
Grants and accounts receivable, net	113,515	141,235
Prepaid expenses and other assets	17,379	17,474
Total Current Assets	\$ 1,322,054	\$ 1,446,475
<b>Property and Equipment:</b>		
Land	\$ 16,775	\$ 16,775
Construction in Progress	13,617	13,617
Leasehold Improvements	131,426	123,834
Computers and Equipment	119,664	116,379
Vehicles	116,575	116,575
Subtotal property and equipment	398,057	387,180
less Accumulated depreciation	(338,857)	(316,710)
Total Property and Equipment	\$ 59,200	\$ 70,470
<b>TOTAL ASSETS</b>	<b>\$ 1,381,254</b>	<b>\$ 1,516,945</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable & accrued expenses	\$ 15,465	\$ 40,300
Total Liabilities	\$ 15,465	\$ 40,300
<b>Net Assets:</b>		
<b>Unrestricted</b>		
Board designated for building project	\$ 946,750	\$ 946,750
Board designated for emergency fund	101,635	101,635
Undesignated	281,995	392,851
Temporarily restricted	35,409	35,409
Total Net Assets	\$ 1,365,789	\$ 1,476,645
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 1,381,254</b>	<b>\$ 1,516,945</b>

See accompanying notes to financial statements.

**FOR THE CHILDREN, INC.**  
**Statements of Activities**  
**Years ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>UNRESTRICTED SUPPORT, REVENUE, &amp; GAINS</b>		
Grants and contributions	\$ 543,409	\$ 518,962
Program service fees	407,582	410,776
In-kind contributions	197,736	197,736
Miscellaneous	4,266	2,141
Interest income	1,130	1,004
Net assets released from restrictions	<u>32,409</u>	<u>42,431</u>
<b>Total Unrestricted Support, Revenue, &amp; Gains</b>	<b>\$ 1,186,532</b>	<b>\$ 1,173,050</b>
 <b>EXPENSES</b>		
Program services	\$ 1,229,573	\$ 1,107,699
Supporting activities	<u>67,815</u>	<u>34,546</u>
<b>Total Expenses</b>	<b>\$ 1,297,388</b>	<b>\$ 1,142,246</b>
 <b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>\$ (110,856)</b>	<b>\$ 30,804</b>
 <b>TEMPORARILY RESTRICTED SUPPORT</b>		
Grants and contributions	32,409	32,409
Net assets released from restrictions	<u>(32,409)</u>	<u>(42,431)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<b>\$ -</b>	<b>\$ (10,022)</b>
 <b>CHANGES IN TOTAL NET ASSETS</b>		
Increase (decrease) in net assets	(110,856)	20,782
Net assets, beginning of year	<u>1,476,645</u>	<u>1,455,863</u>
<b>Net assets, end of year</b>	<b>\$ <u>1,365,789</u></b>	<b>\$ <u>1,476,645</u></b>

See accompanying notes to financial statements.

**FOR THE CHILDREN, INC.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (110,856)	\$ 20,782
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	22,147	25,440
Decrease (increase) in assets:		
Accounts receivable	27,720	(13,539)
Prepaid expenses	95	2,263
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(24,835)</u>	<u>4,260</u>
Net cash provided by (used in) operating activities	<u>\$ (85,729)</u>	<u>\$ 39,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Increase in certificates of deposit	(238)	(202)
Acquisition of property & equipment	<u>(10,877)</u>	<u>(13,957)</u>
Net cash provided by (used in) investing activities	<u>\$ (11,115)</u>	<u>\$ (14,159)</u>
Net increase (decrease) in cash and cash equivalents	\$ (96,844)	\$ 25,047
Cash and cash equivalents, beginning of year	<u>1,186,282</u>	<u>1,161,235</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,089,438</u></u>	<u><u>\$ 1,186,282</u></u>

See accompanying notes to financial statements.

**FOR THE CHILDREN, INC.**  
Notes to Financial Statements  
December 31, 2017 and 2016

**NOTE 1 – NATURE OF ORGANIZATION’S ACTIVITIES**

For The Children, Inc. (the “Organization”) located in Lake Worth, Florida, is a Florida Not For Profit Corporation incorporated September 1999 and began operations April 1, 2000. The Organization provides educational, recreational, and developmental programs for children. Its major programs are afterschool care, youth empowerment services, family counseling, and early childcare. The primary funding sources are grants from local government agencies.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are the representations of management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been applied on a consistent basis.

**(a) Basis of Accounting & Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to separate classes of net assets based on the existence or absence of donor-imposed restrictions: unrestricted and temporarily restricted. Under FASB ASC 958, unrestricted net assets are resources the governing board has discretionary control to use in carrying on the operations of the Organization. Temporarily restricted net assets are resources expendable only for designated purposes or future periods as specified by the donor.

**(b) Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the allowance for doubtful accounts, depreciable lives of property and equipment, functional allocation of expenses, and in-kind contributions. Accordingly, actual results could differ from estimates.

**(c) Cash and Cash Equivalents**

For the purposes of financial statement presentation, the Organization considers all money market funds and highly liquid debt instruments with initial maturities of three months or less to be cash equivalents.

**(d) Short-term Investments - other**

Investments consist solely of certificates of deposit held at FDIC insured commercial banks that have initial maturities of greater than three months and remaining maturities of less than one year. The certificates do not meet the definition of securities per FASB ASC 320 and are valued at amortized cost as of December 31, 2017 and 2016.



**FOR THE CHILDREN, INC.**  
Notes to Financial Statements  
December 31, 2017 and 2016

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(e) Grants and Accounts Receivable**

Grants and accounts receivable represent program services provided, expenses incurred, and unconditional promises to give for which payment has not been received. The amount recorded equals uncollected balances less an allowance for doubtful accounts. Management estimates the allowance based on past experiences that may affect collectability.

**(f) Property & Equipment**

Acquisitions of property and equipment \$500 or higher with useful lives expected to exceed one year are capitalized. Purchased assets are recorded at cost and donated assets are recorded at approximate fair market value on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (3 to 10 years). Depreciation expense was \$22,147 and \$25,440 for the years ended December 31, 2017 and 2016.

**(g) Grants and Contributions**

Grants and contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts designated for specific purposes or future periods by the donor are reported as temporarily restricted. If the purpose restriction is fulfilled within the same period as the contribution received, the amount is reported as unrestricted.

**(h) Promises to Give**

In accordance with FASB ASC 958-605, *Revenue Recognition*, unconditional promises to give are measured at net realizable value and recorded in the period awarded as unrestricted support if available for immediate use or temporarily restricted support if subject to purpose or time restrictions specified by the donor.

**(i) Program Service Fees**

Program service fees received for early childhood and afterschool care are recorded when the related services have been provided in accordance with terms of the contract.

**(j) Donated Services**

Donated services are recorded as in-kind contributions if the services require specialized skills, are performed by individuals who possess those skills, and otherwise would be purchased. Services provided by volunteers that do not meet the criteria for recognition are not recorded as in-kind contributions.

**FOR THE CHILDREN, INC.**  
Notes to Financial Statements  
December 31, 2017 and 2016

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(k) Functional Classification of Expenses**

In the accompanying Statements of Activities, expenses are reported as *program services* or *supporting activities* according to the purposes incurred. Program services are the primary activities that fulfill the Organization's mission. Supporting activities are all activities other than program services. Expenses recorded are either specifically identified as program services or supporting activities, or expenses are allocated to both functions based on estimates of the relative benefit to the program services or supporting activities.

**(l) Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Uncertain tax positions are accounted for only if tax liabilities are likely to be incurred. As of December 31, 2017 and 2016, the Organization has made no provision for income taxes. Information returns filed for the 2015 calendar year and later are open to IRS examination by statute. However, no examinations are currently being conducted.

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

Cash balances are maintained in deposit accounts at banks and credit unions in Palm Beach County, Florida. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) up to \$250,000 at each bank and credit union. As of December 31, 2017, cash deposits totaling \$119,419 exceeded FDIC insurance.

**NOTE 4 – GRANTS AND ACCOUNTS RECEIVABLE**

Grants and accounts receivable, less an allowance for doubtful accounts of \$7,913 and \$12,634, for the years ended December 31, 2017 and 2016 were the following:

	<b>2017</b>	<b>2016</b>
Governmental grants	\$ 53,517	\$ 75,458
Program service fees	35,502	41,736
Grant allocations	32,409	32,409
Miscellaneous	-	4,266
Subtotal	\$ 121,428	\$ 153,869
Allowance for Doubtful Accounts	(7,913)	(12,634)
<b>Total Grants and Accounts Receivable</b>	<b>\$ 113,515</b>	<b>\$ 141,235</b>

**NOTE 5 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are grant allocations restricted for the next fiscal year from the United Way of Palm Beach County. The grant is recorded at net realizable value and expected to be fully collected. Accordingly, there is no allowance for doubtful accounts. For the year ended December 31, 2017, grant receivables of \$32,409 are expected to be collected next calendar year.

**FOR THE CHILDREN, INC.**  
Notes to Financial Statements  
December 31, 2017 and 2016

**NOTE 6 – DONATED SERVICES AND FOOD**

The value of donated services received in 2017 and 2016 for teaching, counseling, and accounting totaled \$12,000 and \$12,000, respectively. Donated services are recorded as in-kind contributions and either program services or supporting activities in the accompanying Statements of Activities. The value of donated food in 2017 and 2016, was valued at \$26,736 and \$26,736, respectively, and recorded as in-kind contributions and program services in the Statements of Activities.

In addition, the Organization receives in-kind contributions of services from volunteers to assist with the organization's activities that do not meet the criteria for recognition under generally accepted accounting principles. Accordingly, no revenue or expense is recognized.

**NOTE 7 – CONCENTRATIONS OF SUPPORT & REVENUE**

The Organization's primary sources of support and revenue are grants from local governmental agencies and payments for services provided to the Early Learning Coalition of Palm Beach County. For the years ended December 31, 2017 and 2016, the percentage of support and revenue received was 36% and 34% from local governmental agencies and 19% and 22% from the Early Learning Coalition of Palm Beach County.

**NOTE 8 - RESTRICTED NET ASSETS**

For the years ended December 31, 2017 and 2016, respectively, temporarily restricted net assets were available for the following purposes:

Purpose	12/31/2016	Additions	Releases	12/31/2017
Youth Empowerment Center	32,409	32,409	(32,409)	32,409
Painting of Unity Wall	3,000	-	-	3,000
<b>Total Restricted Net Assets</b>	<b>\$ 35,409</b>	<b>32,409</b>	<b>(32,409)</b>	<b>\$ 35,409</b>

**NOTE 9 – COMMITMENTS**

On February 1, 2013, the Organization obtained a line of credit with a credit limit of \$110,000 that is secured by the organization's assets and bears an interest rate of .600 percentage points over the lender's prime rate. As of December 31, 2017, the line of credit balance was \$0. The line of credit has been renewed and will mature on February 1, 2019.

**NOTE 10 – PENSION PLAN**

In 2017, the Organization established a Savings Incentive Match Plan ("SIMPLE") IRA for the benefit of all employees who are eligible after they complete two consecutive years of employment. The Organization matches employees dollar-for-dollar up to 2% of their salary-reduction contributions. Matching contributions paid by the Organization to the SIMPLE plan were \$3,209 for the year ended December 31, 2017.

**FOR THE CHILDREN, INC.**  
Notes to Financial Statements  
December 31, 2017 and 2016

**NOTE 11 – OPERATING LEASES**

On July 26, 2010, the Organization entered into an agreement with the City of Lake Worth, authorized by Lake Worth Ordinance 2008-17, to lease the Osborne School and adjacent land located at 1718 South Douglas Street in Lake Worth, Florida for a term of 99 years. Use of the premises is solely for the purpose of educational, recreational, counseling, and family support services; the vacant portion shall be developed by the Organization to operate an educational and recreational center to be available for use by members of nearby communities and the general public. The lease is \$12 plus tax annually and cancelable by either party upon 30 days written notice. The difference between lease payments and the fair rental value has been recorded as in-kind contributions and rent expense of \$42,000 and \$42,000 for the years ended December 31, 2017 and 2016.

On September 30, 2004, the Organization entered into a memorandum of understanding with the School Board of Palm Beach County on behalf of Barton Elementary School to establish a partnership to provide educational, recreational, health, and human services to the residents of all ages in the local community. As part of the agreement, approximately 7,700 square feet was provided for the operation of the program. In-kind contributions and rent expense of \$93,000 and \$93,000 have been recorded for the fair rental value of the facilities for the years ended December 31, 2017 and 2016.

In 2015, the Organization began operations of the Youth Empowerment Center located at 1701 Wingfield Street, Lake Worth, Florida through its contract with the Palm Beach County Youth Services Department. In-kind contributions and rent expense of \$24,000 and \$24,000 have been recorded for the fair rental value of the facilities for the year ended December 31, 2017 and 2016.

The Organization leases offices at 1712 S Dixie Highway, Lake Worth, Florida to provide family support services for the Children Community Wellness Center. Rent expense for the years ended December 31, 2017 and 2016 was \$18,000 and \$17,200. The future minimum lease payments are as follows:

Year ending December 31, 2018	18,720
Year ending December 31, 2019	18,720
<b>Total Future Minimum Lease Payments</b>	<b><u>\$ 37,440</u></b>

**NOTE 12 – CONTINGENCIES**

The Organization receives funding that requires compliance with the terms and conditions specified in contracts and agreements. Compliance with those terms and conditions are subject to audits that could result in claims against the Organization for disallowed costs. Management is not aware of any material instances of noncompliance and the Organization has not made a provision for liabilities that may arise from future audits since those amounts, if any, cannot be determined.

**NOTE 13 – SUBSEQUENT EVENTS**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 23, 2018, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**FOR THE CHILDREN, INC.**  
Schedule of Functional Expenses  
Year Ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, payroll taxes, & benefits	\$ 703,968	\$ 41,562	\$ 2,791	\$ 748,321
Building Space/Rent	172,800	4,200	-	177,000
Professional Fees	84,947	5,001	-	89,948
Food Service	49,876	2,936	-	52,812
Building Maintenance	35,090	2,066	-	37,156
Insurance Expense	34,330	2,021	-	36,351
Sponsored Events/Program Activities	34,844	2,049	-	36,893
Communications & Utilities	31,742	1,868	-	33,610
Program Supplies	25,565	-	-	25,565
Depreciation	20,916	1,231	-	22,147
Travel/Transportation	20,705	1,219	-	21,924
Office Expenses	4,848	285	-	5,133
Dues & Subscriptions	4,802	283	-	5,085
Miscellaneous	1,933	114	-	2,047
Equipment rental/maintenance	1,364	80	-	1,444
Bank Fees and Interest	1,171	69	-	1,240
Training and development	672	40	-	712
	<u>\$ 1,229,573</u>	<u>\$ 65,024</u>	<u>\$ 2,791</u>	<u>\$ 1,297,388</u>

**FOR THE CHILDREN, INC.**  
Schedule of Functional Expenses  
Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, payroll taxes, & benefits	\$ 581,954	\$ 17,913	\$ 2,548	\$ 602,415
Building Rent	172,000	4,200	-	176,200
Professional Fees	80,658	2,472	-	83,130
Food Service	45,913	1,407	-	47,320
Sponsored Events/Program Activities	37,638	1,153	-	38,791
Insurance	35,016	1,073	-	36,089
Building Maintenance	31,998	981	-	32,979
Program Supplies	31,170	-	-	31,170
Communications & Utilities	29,032	890	-	29,922
Depreciation	24,684	756	-	25,440
Travel/Transportation	21,571	661	-	22,232
Office Expenses	5,008	153	-	5,161
Miscellaneous	4,178	128	-	4,306
Dues & Subscriptions	3,688	113	-	3,801
Equipment rental/maintenance	1,659	51	-	1,710
Training and development	1,532	47	-	1,579
<b>Total expenses</b>	<b><u>\$ 1,107,699</u></b>	<b><u>\$ 31,998</u></b>	<b><u>\$ 2,548</u></b>	<b><u>\$ 1,142,245</u></b>

**DANIEL J. ALLEGRETTI, CPA, P.A.**

Certified Public Accountant

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
For The Children, Inc.

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of For The Children, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated April 23, 2018.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered For The Children, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of For The Children, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of For The Children, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether For The Children, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of For The Children, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering For The Children, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DANIEL I. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL

April 23, 2018